Tells the Facts and Names the Names

CounterPunch

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INTERESTING?

"It's what makes working in Georgia so interesting. Because we are, in some ways, like some developing countries. In some parts of northern Georgia children are dying of hunger."

Jane Fonda, at the UN

GM in Black and White

In the fall of last year we described here in CounterPunch the story of how racism pervades America's largest company, General Motors, and how the company had driven to ruin many of its minority dealers and harassed those dealers who spoke up about the company's discriminatory practises. As of last year GM had more than 9,000 dealerships, of which only 107 (1.3 per cent) were owned by blacks. We told how GM executives abused black colleagues. We also described how the black dealers had gone in April of 1997 to Jesse Jackson to champion their cause, only to find that Jackson had entered into secret parleys with GM executives, leaving them fearful and suspicious of Jackson's motives.

The public consequence of Jackson's negotiations with GM and its CEO, Jack Smith, was the appointment of a longtime Jackson friend, Weldon Latham, supposedly to undertake an independent review of GM's minority dealer program. Latham is a prominent black Washington DC attorney.

We'll come to the unpleasant truth about Jackson's choice of Latham later in this story. It is one that raises very disturbing questions about Jackson's motives and credibility in representing himself as the champion of victims of corporate America. But to understand just how badly GM had conducted itself, we must go first to the story of Jack Borman. There never was need for any new probe into GM's minority policies and conduct by Latham. In 1992 GM had hired Borman for precisely this purpose. He did an honest job and paid a heavy price for it.

Borman was born in Philadelphia into a Jewish family. The son of a car dealer he tells us that he had always wanted to work for GM. In his 30-year career he owned several successful dealerships and then became one of the auto industry's top consultants. In his heyday his company was bringing in more than a million a year.

In 1992 GM hired Borman to evaluate its troubled minority dealers program. In the course of the next two years Borman and his colleagues visited dozens of troubled dealerships and brainstormed strategies for turning them around. As he began to look at these individual dealerships, Borman sent reports to GM that many of the black dealers had been assigned poor locations under conditions that rendered it virtually certain they would go bankrupt.

"My reports were objective", Borman tells us. "We didn't place all the blame on GM. The dealers came in for a lot of criticism as well. But the dealers were willing to listen, learn and change. GM wasn't. They didn't make changes that were necessary to help these dealers succeed and they didn't like the criticism." On several occasions, Borman tells us, he was asked by GM executives to rewrite portions of his reports to place the actions of GM in a better light.

Borman says that in 1993 GM hired him to do a comprehensive review of the minority program. In the course of preparing this report he compiled more than 10,000 pages of documents, interviews, studies of site locations and credit policies of GM. Borman tells us that by the time he had completed his report GM executives had turned against him. He reckons they never even looked at his findings, electing instead to launch a campaign to discredit him and destroy his consulting business. For example, Borman learned that a GM executive had unleashed a verbal assault on him at a company meeting, vowing — so Borman was told — " to teach that Jew-boy Borman a lesson."

Amid his deteriorating relationship with GM, Borman was asked by a struggling black dealer in Texas named Willie Carter to come out and advise him how to save his business. "Carter had bought my airline tickets and I was ready to go to Texas", Borman remembers. "Then he called me and said, 'Jack, GM won't let me bring you because of your association with Richard Wallace'." By this time Wallace, a former Chicago police officer who had been poorly treated by GM, had become a fierce spokesman for his fellow minority dealers.

A few days after this conversation with

(Continued on page 5)

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Our Little Secret

Sid Vicious

Sidney Blumenthal is oddly presented in the right-wing press as Hillary's Machiavel. Though it's irksome to think of someone as silly as Sid shoving taxpayers' dollars into his trousers, he does in fact perform a useful function, a daily reminder that all the nonsense put up by journalists about "public duty" and "impartiality" is so much flim flam. Sid is loyally in the Clintons' corner whether he's at the New Republic or the New Yorker or in the West Wing of the White House. We can't see much wrong in that. What's a lot harder to swallow is his $30 million libel suit against Matt Drudge, along with the demand that Drudge divulge his sources. Drudge said that Blumenthal beat his wife, scarcely a slur persuasive to anyone gazing upon Sid's sheep-like countenance. If Drudge had said Sid had inflicted grievous mental harm on his wife Jackie by forcing her to read his prose the slur would have carried far higher credibility.

Then again, Sid is no stranger to slurs. In 1992, around the time that the assiduous Clinton defender Joe Conason was saying George Bush had a mistress (thus, in Joe's opinion, disqualifying him for the presidency) Blumenthal was writing that George Bush was a coward in World War II, prematurely parachuting out of his plane in the Pacific and leaving his comrades to die. We don't object to that, since George made endless capital out of his war record, and indeed one of us wrote more or less the same piece four years earlier. But then we've never had to clamber over the sort of double standards required if one is to remain in service to Bill and Hillary Clinton.

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Plumbers' Hall of Fame

We have no time for Nixon, a crook who thought the proper use of the Bill of Rights was as a bit of paper for King Timahoe to crap on. But compare the efficacy of his plumbers with Bill and Hillary's. All through Watergate Carl Bernstein was in the habit of travelling once in a while to southern Vermont, to say hello to his cousin Shoshana Rihn, a woman who happened at the time to be living undercover, on the FBI's wanted list as a suspected Weatherperson. Shoshana eventually survived a trial intact and now works for all the good causes in Brattleboro, where she recently lost an election as town Selectperson by only two votes on a recount. Carl also had plenty of Communist associations in his family. Undoubtedly, had Nixon's people made the slightest effort to investigate one of their prime tormentors, such facts would have emerged. Bernstein would have been an easy target for red-bating by Nixon's defenders and indeed by the master red-baiter himself and it's conceivable that the Post would have given up on the Woodward-Bernstein probes. But, as Bernstein later remarked to us with some astonishment, the Nixon people never got onto him.

Now look at Clinton's plumbers, at Terry Lenzer, Jack Palladino and the others. Does anyone doubt that if Bernstein was performing a similar role against Bill today, the bloodhounds wouldn't have been on his heels? With absolutely no recrimination in the press, the Clintons have been running black ops for years. Back in the late spring of 1992, with the New York primary coming up, Bill Clinton was looking shaky. He'd barely survived the Flowers affair, and there were pressing questions about the Jackson Stevens money powering his campaign and also the role of Mena airport and of cocaine smuggling in Arkansas in the 1980s. Jerry Brown, mercilessly disparaged by most of the press, was making headway.

So what happened? A secret team of Clinton plumbers set up a bunch of California security guards to claim that as state troopers in Brown's gubernatorial quarters in Sacramento they'd seen uninhibited use of cocaine. (Given what Clinton had been up to his gubernatorial mansion in Arkansas this was the most amazing piece of chutzpa.) It worked. The Clinton-lovers in the press trumpeted the smears and Brown took the hit, organized in part by the Shearer family, one of whom—Derek—became ambassador to Finland and another of whom, Cody, crops up as an associate of Lenzner's, amid the murky affair centering on the bilking of one of the poorest Indian tribes in America out of $100,000 as a contribution to the Democratic National Comittee. Between having G. Gordon Liddy or Terry Lenzner on our case, Our Little Secret would choose Gordon any day. Next to Lenzner he's like Inspector Clouseau..

(We saw Jerry Brown not long ago at a rally in Oakland. These days Jerry is front-runner in Oakland's mayoral race. Although it probably will hurt him in Oakland, he's just turned in his Democratic Party card, and is listed as "non-partisan". He remembered the cocaine sting in 1992 vividly. One of the nastiest bits in that nasty bit of work Primary Colors (the book) is Joe Klein's slavishly pro-Clinton portrayal of this 1992 New York episode, accompanied by the insinuation that the Brown character in his novel was gay. Politically, Brown looks better and better. The liberal pundits never could stand him, because he really does have serious ideas and serious issues to raise.)

The Hated F(un) Word

Frank Rich is a loyal Democrat and New York Times columnist who will walk almost any pontificatory gang-plank if he reckons it will help his guy. Here he is on February 25, 1998: "When even accurate journalism is over-run by show-biz values...endless video replays of a public Presidential hug, news magazines 'exclusives' about Monica's salacious (but irrelevant) E-mail, constant soap operatic regurgitation of past plot developments...the 'Investigation of the President' show be-

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comes escapist fun, not a potential Watergate. The media may have less a credibility problem than a frivolity problem.

"Such is the view of Robert Redford, who in conversations last week said he now found himself with 'very mixed feelings' about having produced and starred in 'All the President's Men,' the 1976 movie that turned Bob Woodward and Carl Bernstein into screen heroes. Mr Redford said that he 'at one point was very proud' of his film, which he was as 'an homage to hard work and looking for the truth.' Now he wonders if simply by portraying the reporters in a movie he paradoxically helped turn a new generation on to journalism for 'the wrong reason,' including the pursuit of celebrity."

Golly. Has it really taken Redford, who surely isn't dumb, twenty-two years to figure out that he and Dustin Hoffman turned Woodward and Bernstein into celebs and sent half of the literate teenagers in America to J-schools, eager to get famous and save the Republic by exposing the powerful?

But notice Rich's puritan assumption that we cannot have, simultaneously, "escapist fun" and "a potential Watergate". First of all, let's stipulate one more time: all scandals are fun and political scandals with sex in them are the best fun of all. Back in Watergate time, pompous columnists like Anthony Lewis used to write mournfully about "the trauma of Watergate". That was no trauma, as anyone over the age of forty will vividly recall. Watergate was wonderful, and particularly delicious for liberals who abandoned themselves to the joy of the chase with a blood-lust unequalled since the Bacchants chased down Pentheus and tore him in pieces.

Similar pomposity wells up in the soul of Jonathan Alter as swiftly as Amen in the throat of an evangelist. Alter, whose unerring accuracy in hitting the bulls'-eye of conventional opinion is a weekly miracle to behold, unburdened himself thus to Katie Couric on the Today Show amid the rosy-fingered dawn of the Lewinsky scandal: "What," Couric asked, "does this story do to us as a country?" "Well, what's really troubling to me, Katie, and I think a lot of other people," Alter swiftly replied, " is the effect of this. It's similar to Watergate, in that it just increases public cynicism so much. You go out and you talk to people, and you say 'What do you think about this?' And they say, 'Everybody lies. All the politicians do it.' The problem with that is we break down the fundamental faith that we have to have in this system to have the kind of society we want to have. And the cynicism corrodes and kind of eats away at us as a country. And it's also just the kind of disgusting, tawdry story that makes you want to take a shower when you're either reporting on it or, I think, a lot of people viewing it are tired of hearing about it already, and it's only two days old."

It's rare to find so forthright a confession of how a pundit such as Alter sees his function of that of a establishment cop, assuring the folks out there that despite all appearances to the contrary, the state is doing a fine job, the political system is in basic good repair and the eruptions of "cynicism" are entirely out of order.

"And it's also just the kind of disgusting, tawdry story that makes you want to take a shower," Jonathan Alter of Newsweek complained to Katie Couric.

That Man Brock

Listen to David Brock, in his "Letter to the President" in Esquire: "...regardless of how the drama plays out, as the first reporter who leered into your sex life, I do know that I didn't learn a damn thing worth knowing about your character."

Disregard the fact that Brock most certainly wasn't the first reporter to look into Bill's sex life, and note the absurdity of his claim. As we trudge through the quicksands of Bill's psyche, sex offers almost the only sure guide. Along with his awesome capacity to find money to fund his political career, Clinton's attitude to sex, to women, tells us what sort of a man he is. Put his second inaugural speech next to the testimonies of Gennifer Flowers, Paula Jones, Kathleen Willey and Cristy Zercher and figure which set of texts offers us superior insight into his character.

A politician as consummately opportunistic as Clinton lives by expediency. He shifts ideological costumes as smoothly as Cressida changes her character and loyalties in Shakespeare's play. But sex is the constant rock over which he trips, so why should we ignore it?

Drudge Not, Lest...

It's been remarkable how the up-market crowd in the press have bitterly resented Matt Drudge, particularly his invitation by Tim Russert to appear on Meet The Press. We're no fan of either of them, but if we had to select one or other as the greater affront to decent journalism we'd certainly pick Russert.

But the reason they all hate Drudge so much is that he's a vivid reminder of what the supposedly dignified trade of journalism is all about. It's like seeing Walter Lippman in his underwear pinching the housemaid's bottom.

You can put the mission of our business in high terms, as did Robert Lowe, an editorial writer for the London Times who, in 1851, who was instructed by his editor to refute the claim of a government minister that if the press hoped to share the influence of statesmen, it "must also share in the responsibilities of statesmen".

"The first duty of press," Lowe wrote, "is to obtain the earliest and most correct intelligence of the events of the time, and instantly, by disclosing them, to make them the common property of the nation. The Press lives by disclosures; whatever passes into its keeping becomes a part of the knowledge and the history of our times."

From which exalted sentiments we may turn to the views expressed by Sir Melford Stevenson, who was a British high court judge from 1957 to 1979. To a group of journalists discussing ethical procedures he remarked: "I think you're all much too high minded. I believe that newsworthiness is a firm realisation of the fact that there's nothing so much the average Englishman enjoys on a Sunday morning - particularly on a Sunday morning - as to read a bit of dirt. And that would be my test of newsworthiness.. There is a curious synthetic halo around these people who are called 'investigative' journalists. Now so far as most courts are concerned - and I think most jurors - the concept of a journalist driven by moral fervour to investigate a public scandal is a lot of nonsense. He enjoys the comforting thought that he has a bit of moral fervour which is filling his pocket as well. And there are few more desirable positions in life than that." ■

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CounterPunch's Business Journal

The Secret Lives of the Fortune 500

Buyer Beware

The National Consumers League, founded a century ago and calling itself "America's pioneer consumer advocacy organization", is now a fully owned subsidiary of Corporate America. Russell Mokhiber of Corporate Crime Reporter says the League is now so "saturated with financial contributions from major American corporations that it can no longer be considered a legitimate independent consumer group".

The League will not provide a specific list of funders but admits that almost 40 percent of its 1997 budget of $1.3 million dollars came from business groups. Corporations underwrite virtually everything the group does:

—In March, the League co-sponored with the Electric Consumer Allliance a conference on utility deregulation. The Allliance is a front group controlled by the Edison Electric Institute, which musters the nation's privately-owned utilities.

—The League's 1997 "Trumpeter Award Reception and Dinner", which generates about 40 percent of its revenue, honored Liz Claiborne Inc, a clothing company that has employed sweatshop labor. Liz Claiborne was one of the top three funders of the dinner, along with Allstate Insurance and Wyeth-Amherst.

—An April 1997 conference on health care was sponsored by companies such as Bristol-Myers, Pfizer, Merck, Kaiser Permanente, PacifiCare Health Systems and Upjohn.

—A League brochure called "Community Credit Link" was paid for by Visa USA, while its "Consumer Guide to Choosing Your Telephone Service was paid for by Ameritech.

Standard Toxics

In 1997, the Standard Fruit Company agreed to pay $22 million to thousands of plantation workers, a settlement stemming from its use of a pesticide that had been banned in the United States. Now agricultural workers in Honduras are charging that Standard Fruit is still using toxic pesticides on its banana plantations there, and that hundreds of people have suffered serious health problems as a result.

It's a huge affair in Honduras, but seemingly of no interest in the US press, despite the fact that in mid-February, several thousand former Standard Fruit employees protested by blocking roads in Honduras, which caused a two-day delay in banana shipments to Europe. Also gliding under the media's radar screen was a late-February conference in Costa Rica, attended by hundreds of researchers, that was called to discuss the threats posed by pesticides to 25 million agricultural workers across the Third World.

Standard Fruit agreed to make the $22 million payments in response to a lawsuit filed in a US court by workers in Honduras, Guatemala, El Salvador, Nicaragua, Ecuador and the Philippines. The workers charged that they became sterile and went blind, also that their children suffered birth defects as a result of their exposure to a pesticide called DBCP, which was developed by Dow Chemical and Shell Oil. Standard Fruit has used the pesticide heavily in the Third World, even after it was banned by the EPA in 1979. (Incidentally, lawyers for the workers got 40 percent of the settlement and another 25 percent went to legal costs. Many of the workers received as little as $100.)

Enron's Frank Wisner is the son of a particularly maniacal CIA man, Frank Wisner, Sr., who ultimately killed himself. Wisner Jr. also toiled for the CIA.

The current complaints about Standard Fruit come from workers in Olanchito, a dirt-poor town where the company runs a 17,000-acre plantation. The head of the local hospital says that since last year 18 out of about 2,000 babies in the town have been born without brains.

The only story we can find about the subject is a fine article by Agence France-Presse. Its reporter traveled to Olanchito and quoted Gonzalez as saying that he was convinced that illnesses were caused by Standard Fruit's "spraying day and night" at its banana plantations. The story also said that plantation workers in the town have an "inordinately large" number of deformed children.

Their Men in India

When Frank Wisner served as US ambassador to India, his tenure was marked by an utter insouciance towards human rights violations committed by the Indian government. Wisner's prime concern was of course the promotion of US commercial interests. India—currently undergoing a wave of privatization and other "free market reforms"—is seen as a potential gold mine for foreign investors.

Years of such assiduous service for US business have now paid off for Wisner. Energy giant Enron recently announced that it has cleared a spot on its board of directors to make room for the former ambassador.

Wisner is the son of a particularly maniacal CIA man, Frank Wisner, Sr., who ultimately killed himself. Wisner Jr. also toiled for the CIA. One of his postings was to Indonesia, where he helped destabilize the Sukarno government and paved the way for the Suharto dictatorship.

Enron had good reason to accommodate the former spook. A few years ago, Enron—which itself maintains a cordial relationship with Suharto and has big operations in Indonesia —won a $2.8 billion contract to build a power plant in India. The deal was pushed through with the assistance of the embassy in New Delhi, the CIA and the Commerce Department, at that time headed by Ron Brown.

Then charges appeared in the Indian press that Enron had won the contract by paying huge bribes to government officials. Protests erupted against the plant and the Indian army was called in to attack demonstrators. The government, fearful of public fury, junked the deal in 1996.

Wisner made it his mission as ambassador to press the government to make things right again for Enron. He soon got the company its $2.8 billion deal back and Enron is now seeking other deals in the country.

With Wisner duly rewarded with his position on Enron's board, his replacement, Richard Celeste, is already angling to find work with the energy company after he leaves government. One of his first official acts was to meet with Indian business leaders to warn that their government should be careful about canceling business deals and that "there is a substantial difference between the agreement to do something and then doing it".

Blood Money

Martha Luehrmann works at the Lawrence Berkeley Laboratory, which is run by the University of California and funded by

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the US Department of Energy. She tells the following story about the pharmaceutical industry:

EPO is a bio-engineered drug made by Amgen. It's proven to be extremely effective in encouraging the development of oxygen-carrying red blood cells and has meant life for many anemic people, including premature infants and those with anemia stemming from kidney failure and other diseases. The drug is extremely expensive, running at between $1,000 and $3,000 just for temporary blood-loss in surgical procedures.

One reason for the high price is that most patients need to use heavy doses of the drug which, unless you have a naturally occurring binding factor, immediately excretes into the urine. At the rates charged by Amgen, EPO is well beyond the reach of many people in the US and almost all Third World children who suffer from chronic anemia.

Gisella Clemons, a scientist at the Lawrence Lab, came up with a protein-binding factor that allowed EPO to bind in the body instead of being excreted into the urine. The discovery means that EPO patients would need to take only a tiny fraction of current doses.

The lab offered its discovery to Amgen but the company declined because it would decrease the size of its lucrative market for EPO and Amgen was apparently worried that it could not make up the shortfall by increasing sales to people now unable to afford the drug. Other drug companies also turned the lab down because they would need to combine the binding protein with EPO, and all the rights to EPO are in the hands of Amgen. So, says Luehrmann, "a wonderful advance that could save hundreds of thousands of children from anemia and death stays on the shelf because a company doesn't want to see any risk to its bottom line". ■

Napalm Train

CounterPunch's story on the Navy's attempt to ship napalm to East Chicago, Indiana was covered by all the networks and was page one news across the country. Betty Balanoff, the activist who tipped us off to the story, called to thank for us for our report and tells us it was crucial in PCI's decision to back out of its deal to dispose of the deadly stuff. That left the Navy in a bind since it had already begun shipping the napalm from California. As we were going to press, the napalm-laden train was reportedly somewhere between Amarillo, Texas and Kansas City, Missouri.

(**GM**, *continued from page 1*)

Carter, Borman says he got a phone call from Lee McDaniel, the head of GM's minority dealer development program. According to Borman, McDaniel threatened him, saying "me and GM are coming after you." They were as good as their word. Borman's contracts with GM were cut off. The company hired his trainees as GM's new professional consultants and blacklisted him throughout the auto industry. Borman's tangle with GM ultimately forced him to declare personal bankruptcy.

With Borman's report deep-sixed, the black dealers now looked to Jesse Jackson. They thought him certain to rally to their cause since in 1996 Jackson had proclaimed with much fanfare that Americans should boycott Mitsubishi cars because only 4.3 per cent of its dealerships in the US were held by minorities. "We felt sure that Reverend Jackson would make a similar stand against GM," Richard Wallace tells us, "since they had an even worse record."

Jackson gave the public impression that he was setting up a partnership between GM and PUSH (Jackson's Chicago-based organization) to look into the minority situation, with the probe to be run by Jackson's nominee, namely the Washington DC lawyer, Weldon Latham, a partner at Shaw, Pittman, Potts and Trowbridge.

Much to their surprise Borman and Wallace, the two people who knew the most about GM and minority dealers, never heard from Latham. Furthermore it speedily became clear to those minority dealers who Latham did contact that he was playing a double game. The dealers would unburden themselves to Latham or his associate, John Bryson, only to find that their confidences had been speedily relayed to GM.

Latham's office sought out and interviewed a black dealer named Amos Webster, who had a grim story to tell. He had given up a promising career as a manager at Dresser Industries to enter the GM minority dealers' program in April, 1987. In order to join the program GM required the candidates to undergo psychological testing and have $65,000 of unencumbered capital. "They told us to get our capital ready to go, and keep it liquid at all times," Webster tells us. He and his wife Cassandra sold their house in Milwaukee, put their equity in an escrow account and moved into a tiny rental and embarked on the program. Eight months into his training, which involved commutes between Milwaukee and Detroit, he learned one of the dirtier secrets of GM's minority dealer program. The enrollees were not guaranteed a dealership. "I was livid," Webster remembers. "To get us into the program they had promised us a dealership. We had overturned our lives to meet their terms and now they were changing the rules."

In March of 1987 Webster graduated in the top ten per cent of his class and then had to cool his heels for a year and a half for the opportunity to buy a dealership. GM had withdrawn its stipend and wouldn't allow him to draw down any of the $65,000 of his own money sitting in the capital account.

Ready to jump at almost any offer, Webster asked GM about a dealership in Memphis he'd heard was for sale. "GM said it was a good operation, that it had been located in the same spot for thirty years," Webster tells us. On that recommendation Webster and his wife (who had to fold up her own business) pulled up stakes and headed south.

In Memphis it didn't take Webster long to appreciate that GM had put him in the hole. Webster found that the area around the dealership had deteriorated. The neighborhood was run down and the people who wanted to buy cars from him couldn't get financing from GM.

As a precondition of letting Webster into the dealership, GM forced him to sell off the two profitable ventures in the operation, its used car lot and its leasing division. These operations were sold to the white managers from the previous incumbency and are still

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making money today. Not so with Webster's operation. Within a few months he received a visit from a GM executive who took Webster to dinner and told him he was going to pull the plug on the dealership. The GM man advised Webster he would get him another store within seven months. Nearly nine years have gone by and Webster still doesn't have another dealership. To stay in the pool, Webster had not only been unable to touch his $65,000, but GM has forced him to up take an equity loan on his house to boost this sum to $80,000. Now he's shuttling between Memphis and Florence, Alabama, working in his brother's industrial sales company.

Webster related this saga to Latham's associate, John Bryson, in February. Near the end of the interview Bryson told him that he was going to submit a report of what Webster had said to GM within 48 hours. When a stunned Webster said that "this doesn't sound like an independent evaluation to me," Bryson replied cooly that Latham's office was working for GM and that the compiling of profiles of the black whistleblowers was part of their brief.

A few weeks later, Webster got a letter from McDaniel, the head of GM's minority program, informing him that he was no longer considered to be a viable candidate for a GM dealership. McDaniel's justification: Webster had not maintained employment in the auto industry.

At least Bryson was forthright to Webster about his true client. Another minority GM dealer, a former NFL player named Ronnie Blye has told Richard Wallace that when interviewed by Latham himself, he'd been assured by Latham that the conversation was confidential. Then hearing other black dealers' disquiet, he wrote to Latham, reminding him of this assurance of confidentiality, only to receive an angry call from the lawyer to the effect that Blye was lying.

Even this behavior pales next to the following episode. Not only was Latham playing a duplicitous game in the evaluation process, but it also turns out that Latham had been hired by GM to hash out settlements with the black dealers, some of whom were either suing GM or threatening collective action. One such dealer was Charles Bell, of Tuskeegee, Alabama. In 1992 Bell had enlisted the legal support of a small law firm in Montgomery called Robison & Belser. Bell's had failed and he sued GM, claiming that the company had discriminated against his dealership by not approving car loans for many of his customers. Bell's lawyers, Justice A. Smyth III and Philip Butler, produced a study showing that his customers were 25 per cent less likely to get loans approved than applicants with similar credit profiles at a white-owned dealership in Montgomery. This was a devastating piece of evidence that convinced an Alabama jury to rule in Bell's favor and award him $17 million in damages. GM appealed the ruling, which is now pending before the Alabama Supreme Court.

In late February of this year Bell was contacted by Doris Davenport, of the Rainbow/PUSH Coalition, who had picked by Jackson to monitor the GM-PUSH, so-called probe. Davenport told Bell that Weldon Latham would like to talk to him and might be interested in offering a financial settlement. But she emphasized that Latham did not want to interact with Bell's attorneys.

Bell duly relayed this contact to his Montgomery lawyers. They told Bell to go ahead with a conference call, and that they would listen in, to see what Latham had to say. On March 2 a conference call duly took place, with Bell, a friend called Greg Calhoun, Davenport and Latham. The latter did not know that one of Bell's attorneys, Justice Smyth, was also listening and taking detailed notes.

Latham swiftly got down to business. He told Bell that he should fire his lawyers and enter into a private settlement with GM. Bell said, "But my lawyers have spent a lot of money on this investigation. How can I fire them and how can I pay them for their expenses?" Latham told Bell he should simply tell his attorneys he couldn't afford to pay them, and then file for personal bankruptcy to prove it. Latham said that if Bell jumped through all these hoops GM would probably be willing to pay him something in the region of one million dollars.

Bell's lawyers made a record of the conversation and then sent a letter to Latham and his law firm charging that he had violated professional standards of conduct by engaging in an ex parte conversation with their client. They told him they were taking the issue to the Alabama legal authorities.

In short order Bell found in his mailbox an envelope marked "personal and confidential, to be opened by addressee only." Inside was a letter from Jesse Jackson, in which Jackson admonished Bell for his and his attorneys' "unfounded attacks on Mr Latham, Ms Davenport and by implication the Rainbow/PUSH coalition and me". He accused Bell of betraying "my trust". Jackson concluded a page and a half of abuse of Bell with these words, "I reached out to help a brother, a friend and a small business in need...I completely support the ethical and appropriate actions by both Ms Davenport and Mr Latham." And then Jackson demanded an apology.

Bell and his lawyers soon found that this "personal and confidential communication was being faxed to other black dealers, with the fax address being Latham's law firm. Bell wrote back to Jackson, suggesting that maybe the Reverend hadn't actually drafted the letter and could he please clarify the situation. Jackson has thus far failed to reply. ■

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